



PROPERTY RATES POLICY

For implementation as from 1 July 2017



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SECTION A: INTRODUCTION, LEGISLATIVE CONTEXT, DEFINITIONS AND PRINCIPLES

1. INTRODUCTION

Section 3 of the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004) and Section 62 (1) (f) (ii) of the Local Government: Municipal Finance Management Act, 2003 (No. 56 of 2003), requires municipalities to develop and adopt rates policies on the levying of rates on ratable property in the Municipality.

The Municipality needs a reliable source of revenue to provide basic services and perform its functions. Property Rates is the most important source of general revenue for the Municipality. Revenue from property rates is used to fund services that benefit the community as a whole.

Municipal property rates are set, collected and used locally. Revenue from property rates is spent within a Municipality, where the citizens and voters have a voice in decisions on how the revenue is spent as part of the Integrated Development Plans (IDP's) and budget processes in respect of which the Municipality invites communities for their inputs before adopting the budget.

This policy document guides the annual setting of property rates. It does not make specific property rates proposals. In imposing a rate in the Rand the Municipality may grant exemptions, rebates and reductions to the categories of properties and categories of owners as allowed for in this policy document and legislation.

2. LEGISLATIVE CONTEXT

In terms of Section 229 of the Constitution, (Act 108 of 1996), a municipality may impose rates on property.

In terms of Section 4 (1) (c) (ii) of the Municipal Systems Act, (Act 32 of 2000), a Municipal council has the right to finance the affairs of the municipality by imposing, *inter alia*, rates on property.

In terms of Section 2 (1) of the MPRA, a metropolitan or local municipality may levy a rate on property in its area and in accordance with the other provisions of the MPRA.

This policy must be read together with, and is subject to the provisions of the MPRA.

In terms of Section 62 (1) (f) (ii) of the Municipal Finance Management Act, (Act 56 of 2003), a municipality must have and implement a rates policy as may be prescribed by any applicable national legislation.

In terms of Section 8(1) of the MPRA, a municipality may, in terms of the criteria set out in its rates policy, levy different rates for different categories of rateable property, determined in subsection (2) and (3).

3. DEFINITIONS

“Act”, means the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004).

“Agent”, in relation to the owner of a property, means a person appointed by the owner of the property –

- a) to receive rental or other payments in respect of the property on behalf of the owner; or

b) to make payments in respect of the property on behalf of the owner.

“Agricultural property”, means property that is used primarily for agricultural purposes and excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the use of the property for the purpose of eco-tourism or for the trading in or hunting of game.

“Bed and Breakfast” means a residential establishment that offers overnight accommodation with breakfast included and where an owner/lessee/manager resides on the premises.

“Bona fide farmer” is a person or legal entity that is a legitimate farmer.

“Business”, means the activity of buying, selling or trade in goods or services and includes any office or other accommodation on the same erf, the use of which is incidental to such business, with the exclusion of the business of mining, agriculture, farming, or inter alia, any other business consisting of cultivation of soils, the gathering in of crops or the rearing of livestock or consisting of the propagation and harvesting of fish or other aquatic organisms.

“Category” –

- a) in relation to property, means a category of property determined in terms of section 8 (2) of the Act;
- b) in relation to owners of property, means a category of owners determined in terms of section 15 (2) of the Act.

“Exclusion” in relation to a municipality’s rating power, means a restriction of that power as provided for in section 17 of the Act.

“Exemption” in relation to the payment of a rate, means an exemption granted in terms of section 15 of the Act.

“Financial year” means the period starting from 1 July in a year to 30 June of the next year.

“Guest house” means an establishment similar or larger than bed and breakfast accommodation, offering meals included in the room rate and ranges from low-budget rooms to luxury apartments and where an owner/lessee/manager resides on the premises.

“Household income” means the income accruing to all members of the household permanently residing at the address. It includes income of spouses.

“Indigent person” means a person whose household income does not exceed the minimum household income as predetermined by the council.

“interest” means the standard rate of interest, charged on accounts which are not paid by the specified due date, calculated as one percent higher than the prime rate.

“Land Tenure Right” means a land tenure right as defined in section 1 of the Upgrading of Land Tenure Rights Act, 1991 (Act No. 112 of 1991)

“Market value”, in relation to a property, means the value of the property determined in accordance with section 46 of the Act.

“MEC for Local Government” means the member of the Executive Council of a province who is responsible for local government in that province.

“Mining property”, means a property used for mining operations as defined in the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002).

“Multiple Ownership”, is a form of ownership whereby two or more people or entities own interests in the same real property at the same time.

“Multiple purposes”, means properties used for multiple purposes for which an apportionment of value for each distinct use of the property will be calculated by the municipal valuer and used for billing at the appropriate and applicable rate, in cases where the municipal valuer considers it reasonable to apply this category.

“Municipal Properties”, means properties owned by the local municipality.

“Non- Profit Organisation”, means a business entity that is granted tax-exempt status by SARS.

“Office bearer”, in relation to places of public worship, means the primary person who officiates at services at that place of worship.

“Official residence”, in relation to places of public worship, means

- a) a portion of the property used for residential purposes; or
- b) one residential property, if the residential property is not located on the same property as the place of public worship, registered in the name of a religious community or registered in the name of a trust established for the sole benefit of a religious community and used as a place of residence for the office bearer.

“Owner”—

- a) in relation to property referred to in paragraph (a) of the definition of “property”, means - a person in whose name ownership of the property is registered;
- b) in relation to a right referred to in paragraph (b) of the definition of “property”, means a person in whose name the right is registered; or
- c) in relation to a land tenure right referred to in paragraph (c) of the definition of “property”, means a person in whose name the right is registered or to whom it was granted in terms of legislation, provided that a person mentioned below, for the purposes of this Act be regarded by a municipality as the owner of a property in the following cases:
 - i. A trustee, in the case of a property in a trust excluding state trust land;
 - ii. an executor or administrator, in the case of a property, in a deceased estate;
 - iii. a trustee or liquidator, in the case of a property, in an insolvent estate or in liquidation;

- iv. a judicial manager, in the case of a property, in the estate of a person under judicial management;
- v. a curator, in the case of a property, in the estate of a person under curatorship;
- vi. an usufructuary or other person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude;
- vii. a lessee, in the case of a property that is registered in the name of a municipality and is leased by it; or
- viii. a buyer, in the case of a property that was sold and of which possession was given to the buyer pending registration of ownership in the name of the buyer;

“Public Benefit Organisation”, means an organisation that does not work for profit and does not pay tax in or out of South Africa. The organisation is most likely involved with charitable work.

“Pensioner”, a person who receives or lives on a pension or a person who receives a government pension.

“Permitted use”, in relation to a property, means the limited purposes for which the property is used in terms of –

- a) any restrictions imposed by –
 - i. a condition of title;
 - ii. a provision of a town planning or land use scheme; or
 - iii. any legislation applicable to any specific property or properties; or
- b) any alleviation of any such restrictions.

“Place of public worship”, means property used primarily for the purposes of congregation, excluding a structure that is primarily used for educational instruction

in which secular or religious education is the primary instructive medium: Provided that the property is—

- i. registered in the name of the religious community;
- ii. registered in the name of a trust established for the sole benefit of a religious community; or
- iii. subject to a land tenure right.

“Private open space”, means any land in private ownership used primarily as a private site for play, rest or recreation without financial gain.

“Public Service Infrastructure” means publicly controlled infrastructure of the following kinds:

- (a) national, provincial or other public roads on which goods, services or labour move across a municipal boundary;
- (b) water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public;
- (c) power stations, power substations or power lines forming part of an electricity scheme serving the public;
- (d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;
- (e) railway lines forming part of a national railway system;
- (f) communication towers, masts, exchanges or lines forming part of a communications system serving the public;
- (g) runways, aprons and the air traffic control unit at national or provincial airports, including the vacant land known as the obstacle free zone surrounding these, which must be vacant for the air navigation purposes;
- (h) breakwaters, sea walls, channels, basins, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising lighthouses, radio navigational aids, buoys, beacons or any other device or system used to assist

- the safe and efficient navigation of vessels; communications system serving the public;
- (i) any other publicly controlled infrastructure as may be prescribed; or
 - (j) a right registered against immovable property in connection with infrastructure mentioned in paragraphs (a) to (i);

“Public Service Purposes”, in relation to the use of a property, means property owned and used by an organ of state as—

- (a) hospitals or clinics;
- (b) schools, pre-schools, early childhood development centres or further education and training colleges;
- (c) national and provincial libraries and archives;
- (d) police stations;
- (e) correctional facilities; or
- (f) courts of law, but excludes property contemplated in the definition of ‘public service infrastructure’

“Rate” means a municipal rate on property envisaged in section 229(1)(a) of the Constitution.

“Ratable property” means property on which a municipality may in terms of section 2 of the Act levy a rate, excluding property fully excluded from the levying of rates in terms of section 17 of the Act.

“Ratio”, in relation to section 19 of the Municipal Property Rates Act, means the relationship between the cent amount in the Rand applicable to residential properties and different categories of non-residential properties: Provided that the two relevant cent amounts in the Rand are inclusive of any relief measures that amount to rebates of a general application to all properties within a property category.

“Residential Accommodation Business” means a property zoned for single residential purposes and where an owner/lessee/manager runs an accommodation

business from the premises and includes Guesthouses and Bed & Breakfast establishments with a maximum of 4 guest rooms, and “Self-catering” establishments.

“Residential Nature Reserve” means an unregistered residential property situated within a nature reserve.

“Residential Property” means a property included in a valuation roll in terms of section 48(2)(b) in respect of which the primary use or permitted use is for residential purposes without derogating from section 9.

“Residential Vacant” means residential vacant erven with no habitable construction or improvements and zoned for residential purposes.

“Sectional Title Garage” means a registered unit used by the owner for storing or parking of a vehicle and not used for residential purposes.

“Self-catering” means a residential establishment where short term furnished accommodation is offered which includes more than 2 self- contained units (a unit includes kitchen and bedroom facilities).

“Smallholding” is defined as a property outside the edge of urban development areas with the size of 10ha or less with limited agricultural activities and/or a residential component.

“Special Economic Zones” (SEZs), are geographically designated areas of a country set aside for specifically targeted economic activities, supported through special arrangements (that may include laws) and systems that are often different from those that apply in the rest of the country.

“Specified public benefit activity” means an activity listed in item 1 (welfare and humanitarian), item 2 (health care) and item 4 (education and development) of Part 1 of the Ninth Schedule to the Income Tax Act.

“Vacant land”, means all undeveloped land irrespective of its current or future intended zoning. Agricultural properties will not be considered as being vacant erven.

“Wind Farms” means an area of land with a group of energy-producing windmills or wind turbines.

4. POLICY PRINCIPLES

The rates policy will be based on the following principles:

- (a) Equity;
- (b) Affordability;
- (c) Sustainability;
- (d) Cost efficiency.

The council shall as part of each annual operating budget component impose a rate in the rand on the market value of all ratable property as recorded in the municipality’s valuation roll or supplementary valuation roll. Ratable property shall include any rights registered against such property, with the exception of a mortgage bond.

The council shall endeavor to limit each annual increase as far as possible to the increase in the consumer price index over the period preceding the financial year to which the increase relates.

The council shall, in imposing the rate for each financial year, take proper cognisance of the aggregate burden of rates and service charges on representative property owners, in the various categories of property ownership.

The council shall further, in imposing the rate for each financial year, strive to ensure that the aggregate budgeted revenues from property rates, less revenues forgone equal at least 18% (eighteen percent) of the municipality’s aggregate budgeted net revenues for the financial year concerned. By doing so, the municipality will ensure that its revenue base and the collection ability of its revenues remain sound.

5. SCOPE OF THE POLICY

This policy document guides the annual setting (or revision) of property rates. It does not make specific property rate proposals. Details pertaining to the applications of the various property rates are published in the Provincial Gazette and the municipality schedule of tariffs, which must be read in conjunction with this policy.

6. APPLICATION OF THE POLICY

In imposing the rate in the Rand for each annual operating budget component, the Municipality may grant exemptions, rebates and reductions allowed for in this policy document.

7. CLASSIFICATION OF SERVICES AND EXPENDITURE

The Chief Financial Officer shall, subject to the guidelines provided by the legislation, provide for the classification of services as outlined in the Municipality's annual budget into trading and economic services.

8. APPLICATIONS

- (a) The Municipality, before the start of the financial year to which it refers must receive all applications referred to in this policy. The Chief financial officer may consider late receipts of such applications;
- (b) It is the duty of all such applicants to bring to the attention of the Municipality any amendments to such applications within 7 days after such occurrence.

SECTION B: CATEGORIES OF PROPERTY

1. CATEGORIES OF PROPERTY

The following are the determined categories of properties:

- (a) Residential properties;
- (b) Residential accommodation business;
- (c) Residential nature reserve;
- (d) Residential Vacant
- (e) Sectional Title Garage

- (f) Industrial properties;
- (g) Business and commercial properties;
- (h) Special Economic Zone
- (i) Agricultural properties;
- (j) Smallholding
- (k) Mining properties;
- (l) Properties owned by an organ of state;
- (m) Public service infrastructure properties;
- (n) Properties owned by public benefit organisations and used for specified public benefit activities;
- (o) Properties used for multiple purposes, subject to section 9 of the Act; or
- (p) Any other category of property as may be determined by the Minister, with the concurrence of the Minister of Finance, by notice in the Gazette.

Rates on properties, including properties used for multiple purposes, will be levied in accordance with the permitted or actual use of the property and not necessarily according to its zoning.

SECTION C: DIFFERENTIAL RATING

1. DIFFERENTIAL RATES

A municipality may levy different rates for different categories of rateable property, determined in subsection (2) and (3), which must be determined according to the—

- (a) use of the property;

- (b) permitted use of the property; or
- (c) a combination of (a) and (b).

Differential rating among the various property categories will be done by way of setting different Cents in the Rand for each property category.

SECTION D: RELIEF MEASURES RELATED TO CATEGORIES OF PROPERTIES AND CATEGORIES OF OWNERS OF PROPERTIES

1. CRITERIA FOR EXEMPTIONS, REBATES AND REDUCTIONS

The following will be taken into consideration for the purpose of granting exemptions, rebates and reductions:

- a) indigent status of the owner of a property;
- b) income of the owner and/or household on a property;
- c) market value of residential property below a determined threshold;
- d) owners of property situated within an area affected by –
 - i.a disaster within the meaning of the Disaster Management Act, 2002 (Act No. 57 of 2002); or
 - ii. any other serious adverse social or economic conditions; zoning and/or actual use of the property; and
- e) availability of services funded by rates for a property.

2. EXEMPTIONS, REDUCTIONS AND REBATES

2.1 The following categories of properties and owners may be considered:

a. Residential properties

The Municipality will not levy a rate on the market value of properties as follows: -

- i. on the first R15 000 on the basis set out in section 17 (1) (h) of the Act; and

- ii. The Municipality may grant a further residential rebate on rates levied on the balance of the market value of developed residential properties, if any, as determined by Council during the budget process.
- b. Agricultural properties

Agriculture or smallholding zoned property located within the jurisdiction of council on which bona fide farming activities are exercised in terms of section 15(2)(f) of the Act, and with proof from SARS that bona fide farming is the main source of income.
- c Properties owned by Public benefit organisations and used for specified public benefit activities.

The municipality may grant a 75% rates rebate for the categories of Non- Profit Organisations (NPO's) or public benefit Organisations (PBOs).

These categories of properties and/or owners of properties are deemed to contribute services or benefits to the community. An annual rebate will only be granted after an official application made by an owner or a user of a property (on behalf of an owner) has been approved. Owners or such users who fail to apply for the rebate by 31 March may not be entitled to the rebate for that financial year.

Such NPO or PBO must have a constitution which does not preclude any resident of the municipality from being a member of the said body or organisation or from benefitting from such organisation; therefore, they must be open to the general public.

In order to be considered, these organisations must either be registered as NPOs under the Non-Profit Organisations Act, 71 of 1997, or be PBOs that qualify for tax exemption as contemplated by Part 1 of section 30 of the Ninth Schedule of the Income Tax Act. Such registration must be supplied annually upon application including the submission of a tax clearance certificate for NPOs and PBOs confirming that they are in good standing.

These rebates are intended to assist organisations with limited resources that are liable for the payment of the rates and not for those who have the ability to pay.

Assessment to determine the ability to pay rates by:

- analyzing the audited annual financial statements in terms of income and overall resources;
- examining the credibility of year on year expenditure;
- ensuring that profits or surpluses are calculated by excluding transfers to reserves and excessive writing off or depreciation of assets;
- comparing the total annual turnover to the rates billed to determine whether the rates exceed 5% of the total turnover;
- accumulated reserves for specific purposes would not be taken into account with this assessment;

Note: Funds raised from external sources (such as grants, subsidies and donations) must be excluded when determining the ability to pay.

In exceptional circumstances the CFO may accept that a property registered in a name other than that of the organisation be regarded as the property of the organisation if it can be proven that the registration is merely to facilitate transfer of the property into the name of the organisation.

These rebates are not applicable to any Vacant Land irrespective of its zoning or intended usage unless stated otherwise in this Policy.

A property registered in the name of and used primarily as a place of public worship by a religious organisation/ community, including an official residence registered in the name of that organisation/ community which is occupied by an office bearer who officiates at services at that place of worship in terms of section 17(1) (i) of the Act. The organisation must apply for exemption.

- d. Municipal properties that are not leased or rented out by the Municipality. Council properties leased to third parties will also be rated, subject to the terms of any existing agreements with lessees, the council shall impose a liability to pay rates on lessees when amending or renewing existing lease agreements in respect of Council-owned properties. A buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration

of ownership in the name of the buyer at a later date, will be deemed to be the owner and will be liable for the payment of rates.

e. Public places and streets

All defined roads and/or streets and public places.

2.2 Reductions

Reductions are subject to the following conditions:

- i. all applications must be addressed in writing to the Municipality;
- ii. a SARS tax exemption certificate must be attached to all applications where applicable;
- iii. the municipal manager or his/her nominee must have considered and approved all applications;
- iv. the Municipality retains the right to refuse exemptions if the details supplied in the application form were incomplete, incorrect or false;
- v. false declarations will lead to the forfeit of any exemption and may lead to criminal prosecution;
- vi. a person who provides false information will be held liable for the immediate repayment of any rebates already granted and legal, civil and criminal action may be instituted against the guilty party(ies).

2.3 Exemptions

The following properties are exempted from rates:

- i. Municipal properties;
- ii. Municipal public infrastructure;
- iii. Informal settlements;

- iv. Museums;
- v. National monuments;
- vi. Property lower in value than the amount determined by the municipality;
- vii. A right registered against immovable property;
- viii. Cemeteries & Crematoriums;

2.4 Rebates

2.4.1 A rate rebate is granted to pensioners and disabled persons.

2.4.2 A rebate or a reduction in the rates payable will be granted if the following criteria are met-

- i) Registered owner of the property;
- ii) At least 60 years of age or in receipt of a disability pension;
- iii) Permanently resides on the property;
- iv) Income must not exceed an amount annually set by the Council;
- v) Not be the owner of more than one property;
- vi) Be a South African citizen.

2.4.3 Proof of income must be produced in the form of a recent bank statement (3 months), IRP5 or SARS return (where applicable) and identity documents must be produced to confirm age.

2.4.4 Property owners must apply on a prescribed application form for a rebate.

2.4.5 The Municipality retains the right to refuse rebates if the details supplied in the application form were incomplete, incorrect or false.

2.4.6 The CFO may consider late applications.

Applications for exemptions, rebates and reduction must be made before or on 31 March annually.

3. RESOLUTION FOR LEVYING RATES

The Municipality will follow the process as set out in the Act in notifying the public of any decisions made by Council.

SECTION E: LIABILITY FOR RATES

1. LIABILITY FOR RATES BY PROPERTY OWNERS

Property rates will be levied in twelve equal installments.

The owner of property must notify the Municipality before the start of the financial year if he/she prefers to pay rates annually. A notice from an owner regarding the manner of payment of rates will remain applicable for future financial years until withdrawn by the owner. Interest on arrear rates shall be payable.

Arrear rates shall be recovered from tenants, occupiers and agents of the owner, in terms of the Act.

Saldanha Bay Municipality will not split a municipal account as a result of multiple ownerships and will hold owners jointly and severally liable for payment.

2. SUPPLEMENTARY VALUATION (SV) EFFECTIVE DATE

If the date of a Supplementary valuation is prior to the latest date of registration, the Deeds Office registration date will be used as an effective date. Although the s78(4) of the Act determines the effective date of a supplementary valuation, a property transferred after the effective date of the supplementary valuation, will be billed for rates as from the date of the most recent registration in the Deeds Office.

3. EFFECTS OF OBJECTIONS AND APPEALS ON LIABILITY FOR PAYMENT ITO THE ACT

The lodging of an objection or an appeal in terms of sections 50 and 54 of the Act does not defer liability for the payment of rates beyond the dates determined for payment in terms of this Policy.

The review of the municipal valuer's decision in terms of section 52 of the MPRA does not defer liability for the payment of rates beyond the dates determined for payment in terms of this Policy.

4. ADJUSTMENTS OF RATES PRIOR TO SUPPLEMENTARY VALUATION (SV)

If the owner of a property which has been subdivided or consolidated after the last general valuation wishes to sell the consolidated erf, or one or more of the erven which have been subdivided off the parent erf, as the case may be, applies to the municipality for a clearance certificate in terms of section 118 of the Systems Act and if the municipality has not yet included such valuation of the relevant property (ies) in a Supplementary Valuation:

The municipal valuer shall conduct a valuation of the relevant property(ies) for purposes of a Supplementary Valuation; and

The valuation shall be submitted to the Municipal Manager for approval of the levying of rates on such property (ies) in accordance with such valuation, with effect from the date on which the relevant subdivision or consolidation (as the case may be) was registered in the Deeds Office.

Any valuations performed shall be included in the next Supplementary Valuation prepared by the municipal valuer without any amendments to the valuation and any

objections to such valuation may only be lodged once such Supplementary Valuation is made public in terms of section 49 of the Act.

5. HANGING AND HOLDING PROPERTIES

For the purposes of creating a single account for properties forming one economic entity, specific contiguous properties may be treated as one property on the valuation roll, i.e., one valuation for a number of contiguous properties. The holding property as well as the hanging properties will be reflected on the roll but the valuation will only be reflected against the holding property.

Properties may be created as one economic entity in terms of the following rules:

Properties must be in the same ownership;

A building(s) forming an economic entity must straddle all the contiguous erven as if they were consolidated;

All municipal services must be linked to the property reflecting the total municipal valuation of the erven treated as being consolidated;

A contiguous property with no development potential and which is likely to attract no more than a nominal value, e.g., irregularly shaped or small pieces of land that cannot be optimally developed, for example, small garden extensions or land used for swimming pools, lanes, stairs, slivers of land bordering rivers, as well as road reserves may be treated as hanging properties.

Contiguous pieces of agricultural land which are being farmed as one economic entity will also qualify.

The municipal valuer will, in consultation with the owner, decide which properties should be treated as one economic entity.

6. RATING OF PUBLIC SERVICE INFRASTRUCTURE

One and the same property can comprise of a PSI portion together with another portion of the property of a different nature, such as vacant land, residential, business or commercial property. In other words, a PSI portion and a non-PSI portion.

The total valuation of a property can comprise the valuation of the PSI plus the valuation of the remainder.

One and the same property can comprise two different categories as defined in Section 8(2) of the Act.

Different rates can be levied on the PSI category and the co-existing category.

A PSI is a property and not a use and it shall be of the kind referred to in the definition of a PSI. It is a property in its own right according to the Act, and should not be referred to as part of a multiple use property.

A PSI must have its own entry in a valuation roll.

7. CLEARANCE CERTIFICATE

- 7.1 On the sale of any property in the municipal jurisdiction, Council will withhold the transfer until all rates, service and sundry charges and any estimated amounts for the duration of the certificate in connection with the property are paid, by withholding a clearance certificate.
- 7.2 When debt has been written off as irrecoverable it will not be recovered again when a clearance certificate on a property is issued.
- 7.3 The municipality will issue such clearance certificate on receipt of an application on the prescribed form from the conveyor.
- 7.4 All payments will be allocated to the subject property.
- 7.5 No interest shall be paid in respect of these payments.
- 7.6 The Municipality will only issue a clearance certificate once a completed prescribed application form from the conveyor has been received.
- 7.7 Where any residential or non-residential debtor has entered into an arrangement with the Municipality in respect of the arrears on a property, the

prescribed certificate as referred to in Section 118 of the Systems Act, will not be issued until such time as the full outstanding amount has been paid.

7.8 The rates clearance certificate validation period is 60 days and the amount due for payment is calculated as follows:

a. Rates clearance figures issued between the 1st and the 14th of the month will include 3 (three) months advance collections plus all current outstanding debt on the property.

b. Rates clearance figures issued between the 15th and the end of the month will include 4 (four) months advance collections plus all current outstanding debt on the property.

8. REGULAR REVIEW PROCESSES

The rates policy will be reviewed on an annual basis.

9. IDENTIFICATION AND QUANTIFICATION OF COSTS AND BENEFITS

The cost to the Municipality and benefit to the local community of exemptions, rebates, reductions and exclusions referred to in sections 17 (1) (a), (e), (g) (h) and (i) of the Act are reflected in the Municipality's budget.

10. IMPLEMENTATION PROCESS AND REVIEW PROCESS

This policy will come into effect on 1 July 2017 and will be reviewed at least annually by way of a Council resolution.

11. SHORT TITLE

This policy is the Property Rates Policy of **SALDANHA BAY MUNICIPALITY**.